

Message Text

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ORIGIN COME-00

INFO OCT-01 EUR-25 ISO-00 SS-20 EB-11 CIAE-00 INR-10

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DRAFTED BY:ALBERT J. PLANAGAN

10/16/73 EXT 2884

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R 181935Z OCT 73

FM SECSTATE WASHDC

TO AMEMBASSY BUCHAREST

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E.O. 11652: N/A

TAGS: BDIS, RO

SUBJECT: TRADE COMPLAINT: ERIE FOUNDRY

REF: BUCHAREST 3650

1. IN ABSENCE OF ERIE PRESIDENT CURRIE, COMMERCE TALKED WITH SALES MANAGER MYTINGER, AND CONVEYED SUBSTANCE REFTEL. MYTINGER REPORTED COMPANY HAD RECEIVED CABLE DATED OCTOBER 4 FROM DIMA WHICH STATED THAT MASINEXPORT HAD AGREED TO PRICE OF \$2,520,000 FOR CONTRACT. EMBASSY REFTEL BASED ON OCTOBER 5 CONVERSATION WITH DIMA, HOWEVER, APPARENTLY SHOWS DIMA CAREFULLY HEDGING THIS AGREEMENT. ERIE STILL NOT PREPARED TO SEND SENIOR OFFICIAL TO BUCHAREST UNTIL THEY HAVE UNQUALIFIED STATEMENT AS TO THE GOR'S ADVANCE ACCEPTANCE OF THE \$2.52 MILLION PRICE AND REVISED DELIVERY DATES.

2. UNDER CURRIE'S DIRECTION MYTINGER IS NOW PREPARING A REVISED CONTRACT INCORPORATING THE \$2.52 MILLION FIGURE AND DELIVERY
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DATES. THE CONTRACT ALSO INCLUDES THREE OTHER CLAUSES

STILL NOT ACCEPTED BY ROMANIANS CONCERNING SPECIAL TESTING REQUIREMENTS, REVERSE PENALTIES, AND SPARE PARTS QUOTATIONS. ERIE EMPHASIZED THEY WILL NOT COMPROMISE ON THESE PROVISIONS, AND THAT QUOTE IS LAST AND FINAL OFFER UNQUOTE. THEY WILL REQUEST MASINEXPORT TO REPLY BY EARLY NOVEMBER, OR ELSE CONTRACT WILL BE CONSIDERED TERMINATED.

3. MYTINGER REPORTS THAT HIS BANK (PITTSBURGH NATIONAL BANK) HAS ASSURED HIM THAT THE 7-1/4 PERCENT FINANCING RATE WILL BE HELD.

4. BEGIN FYI - FROM NUMEROUS CONVERSATIONS WITH ERIE OFFICIALS IT APPEARS TO US THAT NO COMPROMISE POSITION COMES DIRECTLY FROM CURRIE. MYTINGER APPEARS MORE FAVORABLY DISPOSED TOWARDS COMPROMISE ON TESTING REQUIREMENTS AND REVERSE PENALTIES. UNDER NO CIRCUMSTANCES SHOULD EMBASSY LEAVE ANY IMPRESSION WITH MASINEXPORT THAT ERIE PREPARED TO COMPROMISE. END FYI. KISSINGER

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